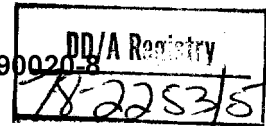


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DD/A Registry  
File *Special Security*  
(and Sec Reg)



DDS&T-2912-78

27 JUN 1978

MEMORANDUM FOR: Director of Logistics

FROM: Chief, Procurement Management Staff, DDS&T

SUBJECT: Recommendations of Task Force on Industrial Security and Industrial Contracting (U)

REFERENCE: Memo from D/OL to multiple addressees dated 20 June 1978, same Subject (OL-8-2766)

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1. (S) In response to reference you are advised that I have been designated as the focal point within DDS&T to work with your staff in monitoring progress on actions involving this Directorate. [REDACTED] of your staff has been notified of this designation in preliminary discussions held with him this date.

2. (S) As I understand it, no action is needed by this Directorate, except to assist as necessary, on Recommendations 1 through 18 of the Industrial Security Interim Report.

3. (S) As to the Industrial Security Final Report, this Directorate's comments/recommendations are as follows:

Recommendation 1: Concur with D/OL. This recommendation has been superseded by the DDCI memo.

Recommendation 2: Concur with D/OL that the decentralized contracting procedures be continued.

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Recommendation 6: [REDACTED] C/SS/DDS&T is working with the Office of Security and the Office of Logistics and will submit the DDS&T recommendations through the Office of Security this week.

Recommendation 7: Approval recommended. Request this Directorate also be advised as to impact.

Recommendation 8: Approval recommended. Request that this Directorate be kept advised of planning should Senate bills S.2525 and S.1264 be enacted.

Recommendation 9: Approval recommended.

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SUBJECT: Recommendations of Task Force on Industrial Security  
and Industrial Contracting (U)

Recommendation 10: Approval recommended.

Recommendation 11: It is considered that this recommendation has been superseded by the DDCI memo.

Recommendation 12: Concur with comments/recommendations of D/OL.

Recommendation 13: Approval recommended.

Recommendation 14: Superseded by DDCI memo. The Board will meet in early July to submit its recommendations to the DDS&T as to its procedures, types of procurement, and criteria of procurements that will be subject to its review and approval. A copy of these procedures will be submitted to the DDCI for approval.

Recommendation 15: Approval recommended.

Recommendation 16: Approval recommended.

Recommendation 17: Approval recommended.

Recommendation 18: Request that recommendation be amended to read: "that the General Counsel and the D/OL, in coordination with the DDS&T, determine. . ."

Recommendation 19 & 20: Defer to DDA and D/OL.

Recommendations 21 & 22: Approval recommended.

Recommendation 23: Concur with comments/recommendations from D/OL. Procurement notes 103 and 115 have been issued.

Recommendation 24: Approval recommended.

Recommendation 25: Superseded by DDCI memo. It is understood that working group is being established. I have been designated a member of this working group as has [REDACTED] C/SS/DDS&T. Other DDS&T advisors will be utilized as needed by the working group. These comments also apply to paragraph f, last page.

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SUBJECT: Recommendations of Task Force on Industrial Security  
and Industrial Contracting (U)

Recommendation 26: Superseded by DDCI memo.  
DDS&T is working with the NRO to implement.

Recommendation 27: Although approval is recommended, there appears to be manpower problems involved, as well as other matters that must be considered by the working group.

4. (S) Comments relative to the portion of the format entitled EAG - 5-23-78 are as follows:

a. As indicated, this has been approved and no action is required.

b. A working draft has been prepared for establishment and staffing of the Board. The initial meeting of the Board is scheduled for early July at which time the Board shall prepare and submit to the DDS&T its recommendations as to procedures, types of procurement, and criteria for procurements that are subject to its review and approval. A copy of these procedures will be submitted to the DDCI for approval.

c. The contracting authority for National Programs has been prepared and is awaiting approval of General Counsel prior to transmittal to the DDCI.

d. This approved action has been assigned to the D/OL and this Directorate will cooperate on this item.

e. This Directorate is ready to comply with this direction and will cooperate with D/OL at time fitness reports are ready for review.

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f. As indicated above, a working group is being established and this Directorate has designated the undersigned and [REDACTED] C/SS/DDS&T as members of this working group. Also other DDS&T personnel will be utilized as advisors as needed by the working group.

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5. (S) It is trusted that the above complies with reference and serves the purpose intended. If not, please advise.

[REDACTED]

C/PMS/DDS&T

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DD/A Registry

78-2253/4

20 JUN 1978

DD/A Registry  
File

*Special Security*

*Industrial Security  
Phg*

MEMORANDUM FOR: Deputy Director for Science and Technology  
General Counsel  
Legislative Counsel  
Inspector General  
Director of Security, DDA  
Director of Communications, DDA

FROM: James H. McDonald  
Director of Logistics

SUBJECT: Recommendations of Task Force on Industrial  
Security and Industrial Contracting (U)

REFERENCE: Mult adsee memo dtd 9 Jun 78 fm DDCI,  
subject: Contractual and Industrial Security  
Oversight (ER 78-9280; DDA 78-2253; OL 8 2633)

1. (U) Action Requested: It is requested that action  
identified in the final paragraph of this paper be accomplished.

2. (U) Background:

a. The DDA has been tasked by the DDCI in the referent to monitor implementation of approved task force recommendations. He has also been asked to provide advice on the suitability for adoption of recommendations 2, 7 through 10, 12, 13, 15 through 24, and 27 of the industrial contracts and industrial security final report. This assignment to the DDA has been further delegated to the Director of Logistics, along with a request for weekly interim status reports on all items.

b. The Director of Logistics provided his first weekly report during the week of 12 June 1978. This report listed all known data on task force recommendations as well as direction included in the referent. The DDA has approved the format of the report for future weekly reporting. A copy of this report is attached for your use. Information in the column headed "Comment/Recommendation" represents the recommendation of the Director of Logistics.

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SUBJECT: Recommendations of Task Force on Industrial  
Security and Industrial Contracting (U)

4. (U) Recommendation: It is recommended that addressees initiate action necessary to accomplish recommendations herein by 27 June 1978. Such action will enable this office to comply with the 30 June 1978 deadline established by the DDA for recommendations on various open items and also to begin our weekly reporting series on a timely basis.

~~W. James H. McDonald~~

James H. McDonald

Att

cc: DDA

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DD/A Registry

78-2253

Executive Registry

78-9280

9 JUN 1978

DD/A Registry

File (*Special Security*)

MEMORANDUM FOR: Deputy Director for Administration  
Deputy Director for Science and Technology  
General Counsel  
Legislative Counsel  
Inspector General

FROM : Frank C. Carlucci  
Deputy Director of Central Intelligence

SUBJECT : Contractual and Industrial Security Oversight

REFERENCES : a. [REDACTED]-113223/78, dated February 1978,  
Subject: Industrial Contracts and  
Industrial Security Final Report

25X1A b. [REDACTED]-5394/77, dated December 1977,  
Subject: Industrial Security Interim  
Report

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1. (U) Action Requested: Addressees are requested to implement the direction in Paragraph 3 as soon as practical.

2. (S) Background: In September 1977 the Acting DCI established a task force to make a comprehensive review of our organization structure, policies, and procedures by which we carry out our program of industrial contracting and security. The reports of this task force are contained in References a and b and were the subject of EAG meetings on 18 April 1978 and 23 May 1978.

3. (S) Position: As a result of these reviews and discussion, I have approved or am directing the following actions:

a. The Agency will maintain the dual delegation of contracting authority to the Director of Logistics (D/L) and to the Chief, Contracts Staff, OD&E, as the National Programs Contracting Officer, DDS&T, for Agency and National Programs, respectively.

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SUBJECT: Contractual and Industrial Security Oversight

b. The DDS&T shall establish a National Programs Contract Review Board to review system procurements and associated source selection procedures. The Board shall be chaired by the Associate Deputy Director for Science and Technology and have the following membership: The Director of Logistics or in his absence a representative appointed by him; a Senior Program Manager appointed by the DDS&T; a Legal Advisor appointed by the General Counsel; the Comptroller, DDS&T, as a representative of Director of Finance; and a Security Advisor appointed by the Director of Security. The Chief, Procurement Management Staff, DDS&T, and a representative of Detachment A DCAA will act as advisors to the Board. The Board at its initial meeting shall recommend to the DDS&T its procedures, types of procurements, and criteria for procurements that will be subject to its review and approval. A copy of these procedures will be submitted for my approval.

c. The DDS&T shall revise and update the current delegations of contracting authority for National Programs from the DCI to the Chief, Contracts Staff, OD&E, to include the following provisions:

(1) The National Programs Contracting Officer has direct access to the Director of Logistics for coordinating substantive matters and shall bring to his attention any problem that could result in embarrassment or legal difficulty for the Agency.

(2) The National Programs Contracting Officer shall establish review procedures which will ensure adherence to Agency procurement policy consistent with National Programs requirements. Any policy differences, which cannot be reconciled, should be submitted to me with a request, accompanied by justification, for policy exception.

d. The Director of Logistics shall ensure that the Procurement Management Staff, Office of Logistics, makes periodic inspections of the OD&E Contracts Staff.

e. The DDS&T shall provide that the Director of Logistics or his designee, Chief, Procurement Management Staff/OL, is the reviewing official on fitness

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SUBJECT: Contractual and Industrial Security Oversight

reports for the Chief, Procurement Management Staff, DDS&T, and for the Chief, Contracts Staff, OD&E.

f. Concerning Recommendation 25 of Reference a, the DDA and DDS&T will work together to establish an appropriate data base to ensure that essential contract information is readily available for responding to questions on Agency contracting activity.

g. The EAG on 18 April recommended the adoption of Recommendations 3 through 6 of Reference a and Recommendations 1 through 18 of Reference b, which were previously approved by the DCI. In view of the foregoing, the Director of Security shall implement the necessary actions to implement Recommendations 3 through 6 of Reference a as soon as possible. I would like a progress report at the end of 60 days. Recommendations 1 through 18 of Reference b require implementation or action by a number of Agency components as follows:

<u>Recommendation</u>	<u>Component</u>
1	OGC
2	OGC/OLC
3	D/Sec
4	D/CO
5	D/Sec
6	D/Sec
7	D/Sec
8	IG
9	D/CO
10	D/Sec & D/L
11	D/Sec
12	D/Sec
13	D/Sec

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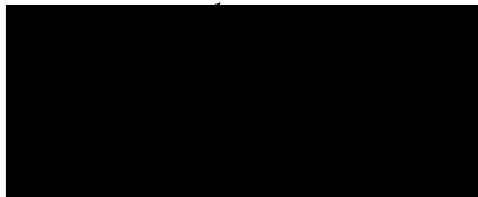
SUBJECT: Contractual and Industrial Security Oversight

<u>Recommendation</u>	<u>Component</u>
14	D/Sec
15	D/L
16	D/L
17	D/L
18	D/Sec & OGC

I would appreciate a progress report from the DDA on the implementation or action taken on these recommendations also in 60 days. Independent offices are requested to submit their reports to the DDA for consolidation.

The DDA is requested to review the remaining Recommendations 2, 7 through 10, 12, 13, 15 through 24, and 27 of Reference a for suitability of adoption and give me his recommendation within 30 days. The DDS&T will implement Recommendation 26. Where another Directorate or Independent Office is affected, their coordination is requested.

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SUBJECT: Contractual and Industrial Security Oversight

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1-DDA  
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1-DDS&T Reg.  
1-D/OL  
1-D/OD&E  
1-C/CS/OD&E  
DDS&T/OD&E/CS/

(5 June 1978)

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